

“EMERGING TRENDS AND PRACTICES IN CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY”

PREETI BISHNOI

Research Scholar, Faculty of Commerce & Business Administration, Jai Narain Vyas University, Jodhpur, Rajasthan, India

ABSTRACT

Corporate Social Responsibility and Corporate Governance is concerned with having a balance between economic and social objectives & goals and Individual & commercial goals. The Framework of corporate governance is to check on the efficient use of the resources provided, and to make sure about the accountability of stewardship. Corporate Social Responsibility is concerned with acknowledging the social responsibility of stakeholders. Stakeholders do not indebt the responsibility of the organization and their own self not only with in but outside the firm also.

An attempt has been made to elucidate the emerging trends and practices with respect to changing scenario in Corporate Governance & Corporate Social Responsibility and their effects on socio economic issues & attainment of corporate goals. It has been tried to conclude that emerging trends are very relevant & beneficial for the society and corporate sector.

Business today, has to make move towards this to mark its sustainability in the competitive environment of PESTEL ie political, ethical, social, technological, economic and legal.

In this we are to discuss, the Corporate Governance (CG) and Corporate Social Responsibility (CSR) objective, Impact and application by various organization.

KEYWORDS: *Corporate Governance (CG) and Corporate Social Responsibility (CSR), Emerging Trends in Corporate Governance (CG) and Corporate Social Responsibility (CSR), Human Resources Management.*

Original Article

Received: Jan 11, 2016; **Accepted:** Jan 18, 2016; **Published:** Feb 02, 2016; **Paper Id.:** IJECRFEB20163

INTRODUCTION

Corporate Social Responsibility is the initiative taken by the company to be liable towards the social of its effect on it and the environment. This term is applied where the involvement from the regulators and environment protection group is seen in corporate. Corporate Governance or Corporate Social Responsibility is also quoted at some places as, “Corporate Citizenship “ and it involves the cost for short duration which does not benefit immediately to company in financial manner but promotes a goodwill and positive social value and creates environment change. Corporate Governance or Corporate Social Responsibility is not about taking steps of adoption, or schools, villages charity during its business operations or getting involved in biological responsibility or into a recycling policy. This activity is more of internal than external, It is of representing the whole company in respect to their internal environment to clients and taking such steps at each mark of the business.

The responsibility should not end at one end but must be continuous commitment of companies towards the economic and social environment they are working.

Charity and Philanthropy are the main drives of Corporate Governance (CG) and Corporate Social Responsibility (CSR). During the Indian Movement Mahatma Gandhi introduced "Trusteeship" in the companies to build a progressive society. Several companies have adopted CSR now with great passion and innovations are being made in this field by them and a great cause is to develop the developing countries like India. Indian companies have now begun to establish separate departments to take up the activities of CSR and merge them with their business process. As research study done through various companies Corporate Governance has been adopted by several Companies in India, such as Tata group, ONGC, Indian Oil Corporation just to name some. This involves the balance between the interest of many stakeholders, customers, suppliers, management, and financier government and community. Corporate Governance (CG) and Corporate Social Responsibility (CSR) provides the structural framework of attaining the company's objective, and makes the action plan of internal control to perform the corporate disclosure.

LITERATURE REVIEW

As per previous studies done; Corporate Social Reasonability; It is the voluntary commitment of corporate to exceed the implications of obligations explicitly and implicitly imposed over company by the society's expectation of a conventional behavior of corporate towards society.

Corporate Social Reasonability & Corporate Governance promotes social trend in order to increase society's basic order, which ensures the coverage of legal framework and social conventions.

Trends of CSR in India

Table 1: Source: IJBMR

Phases	Period	Year	Nature of CSR
First	Pre-industrialization	1800	CSR activities were undertaken in the form of philanthropy with religious belief
Second	Pre-industrialization	1800-1914	CSR activities were undertaken in the form of donations with social welfare objectives
Third	Industrialization	1950-1980	CSR activities were undertaken in the form of responsible behavior with progressive approach
Fourth	Post industrialization	1980-until today	CSR activities are being performed in various forms by keeping in view multistakeholders benefit.

Emerging Trends in Corporate Social Responsibility and Corporate Governance

The need of the hour is trust, integrity with the people concerned, welfare of society and having a socio economic development, for which all the companies and even the government departments are also keen on working over it. We can say it has been an ancient tradition of giving back to society but now the form has changed from charity or philanthropy to upliftment, development, equality, and hygiene. Some examples have been tried to be quoted down here.

- Lupin India Pvt Ltd. began a project for sustainable development in 154 villages across Rajasthan. This company does not work on the "Piece –meal assistance" instead has developed a holistic plan which includes agricultural income generations Scheme, Fruit plantation programs, Land cultivation, Fodder preservation scheme, Water – recycling programs, sericulture and later establishing credit schemes literacy program of adults, educational & Medical Center.

- Tata Consultancy services (TCS) is also developing innovative plans for CSR & CG. The Company has built up a highly equipped training laboratory for handicapped children from the society of welfare of the physically handicapped and research Centre in Pune for providing computer Knowledge.
- NIIT has also taken steps in computer literacy where the children can learn while playing by highly popular “hole-in-the-wall” scheme.
- Bharat Electronics Ltd build the houses for cyclone prone victims, the houses are cyclone proof and will be designed as per the requirement of the victims need.
- Ion Exchange has taken initiative in CSR for Environment Protection through afforestation, Organic Farming, Water Treatment.
- TATA POWER’S PHILOSOPHY ON CORPORATE GOVERNANCE

In the 175th year of birth of our visionary founder Mr. J. N. Tata, we pay homage to him, for it was he who laid the foundation for good governance and made it an integral part of our business culture. Corporate Governance is concerned with maintaining the right balance between economic and social goals and between individual and community goals. As a Tata Company, righteous Corporate Governance is the way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements with the Stock Exchanges.

Tata Code of Conduct: -The fountainhead of the corporate governance of the Tata Power Company is the Tata Code of Conduct

- Integrity
- Understanding
- Excellence
- Unity
- Responsibility
- Corporate social responsibility in the eyes of Indian Oil Corporation

Indian Oil Corporation has had CSR in its mission and vision since its inception of the year 1964. The main objective as mentioned in the Mission Statement”.... To help enrich the quality of the life of the community and preserve ecological balance and heritage through a strong environment conscience”. The view about CSR is succinctly displayed. The company undertook the projects in the vicinity of its own establishment to improve the quality of the community especially the marginalized group viz, SC’s ST’s & OBC’s etc. The Corporation has taken up basic 3 initiatives namely;

- Clean Drinking Water
- Health & medical care
- Expansion of education

The Maharashtra Government is set to make its move for a clean India in the Maharashtra Sanitation Summit for

- Toilets for all, it is aligned to the Indian Government's "Swachh Bharat Mission".
- In the Make in India conference Indian Prime Minister stated the impact of CSR and CG in today's time that even a country's development is related to the good CSR and CG practiced by companies and government,

Government initiatives have also joined lately as stated by experts. Ministry of corporate affairs (MCA) have announced green initiative that means all the documentation between business eg shareholder will be done via electronic means. Apart from various reports documents and ballot papers all will be converted to electronic database. This all is done create awareness of saving precious trees.

Need for Corporate Social Responsibility (CSR) and Corporate Governance (CG):

Need of hour is to develop such more initiatives to build a developed sector in each phase of civilization. Some to be mentioned:

- The power to corporate sector to bring change in lives of others is due to globalization.
- Domestic liberalization also makes it important to expand.
- To make an impact on public one must be a part of it, and privatization has increased its need.
- To make one's accountability believe, organizations need to make an impact through CSR & CG via their policies and work in interest of stakeholders.

CONCLUSIONS

The new economic era in India i.e. the post-liberalization phase of the Indian economy was a catalyst for the radical transformation in the corporate social responsibility related practices in the country. The changes in the environment brought about by the development is serious matter. Companies and the governments of various countries are looking in to creating back a trustworthy, healthy and hygienic place to live in. Progress can never be in dark zone and therefore for further advancement everyone is trying to develop more of accountability, integrity, trust, health, education, awareness among the society and all. Socio economic development is the new tomorrow.

REFERENCES

1. Mr. Oliver Falck, Mr. Stephan Hebl, "Corporate social responsibility: Doing well by doing good" *Business Horizons*, Volume 50, Issue 3, May-June 2007, Pages 247-254. <http://www.sciencedirect.com/science/article/pii/S0007681306001674>
2. Dr. Swati Sharma¹, Mr. Reshu Sharma & Mr. Jugalkishor, "EMERGING TRENDS IN CORPORATE SOCIAL RESPONSIBILITY IN INDIA- A DESCRIPTIVE STUDY", *Global Journal of management research perspective. G.J. C.M.P.*, Vol. 2(2) 2013:58-62, Page 58, ISSN 2319 – 7285 <http://www.gjcre.org/library/upload/volume/58-62-vol-2-2-13-gjcmp.pdf>
3. Dr. Medha Gupta¹ & Mrs. KaranJadhav², "Corporate Social Responsibility: Towards New Agenda", *Abhinav International Monthly Refereed Journal of Research in Management & Technology*, Volume 3, Issue 4 (April, 2014), Page, 6, Online ISSN- 2320-0073 http://abhinavjournal.com/journal/index.php/ISSN-2320-0073/article/viewFile/200/pdf_45

4. 4.DR. VRAJENDRAN, CORPORATE GOVERNANCE PRACTICES - EMERGING TRENDS, TRANS Asian Journal of Marketing & Management Research Vol.1 Issue 1, September 2012, Page 29, ISSN (Online) : 2278 – 4853.
<http://www.tarj.in/images/download/AJMMR/AJMMR%20SEPTEMBER%202012%20PAPERS%20PDF/9.4,%20Dr.%20V.Rajendran.pdf>
5. <https://www.iocl.com/Aboutus/corporatesocialresponsibility.aspx>
6. <http://www.indiacsr.in/en/the-maharashtra-sanitation-summit-has-been-postponednew-dates-to-be-announced-shortly/>
7. [7.http://www.indiacsr.in/en/](http://www.indiacsr.in/en/)
8. <http://www.dnaindia.com/india/report-live-prime-minister-narendra-modi-to-launch-make-in-india-initiative-today-2021424>

